

1 ALAN R. SMITH, ESQ. #1449  
 2 HOLLY E. ESTES, ESQ. #11797  
 3 Law Offices of Alan R. Smith  
 4 505 Ridge Street  
 5 Reno, Nevada 89501  
 Telephone (775) 786-4579  
 Facsimile (775) 786-3066  
**E-mail: [mail@asmithlaw.com](mailto:mail@asmithlaw.com)**  
 Counsel for Chapter 7 Trustee

**ELECTRONICALLY FILED**  
**March 11, 2015**

6 UNITED STATES BANKRUPTCY COURT

7 DISTRICT OF NEVADA

8 In Re:

9 ALFRED J.R. VILLALOBOS,

10  Affects this Debtor  
 11  Affects all Debtors  
 Affects Arvco Capital Research, LLC  
 Affects Arvco Financial Ventures, LLC  
 Affects Arvco Art, LLC

13 Debtor.

Case No. BK-N-10-52248-GWZ  
 Chapter 7  
 Substantively Consolidated with:

10-52249 Arvco Capital Research, LLC  
 10-52251 Arvco Financial Ventures, LLC  
 10-52252 Arvco Art, Inc.

Adv. No. 15-05018-GWZ

**DECLARATION OF HOLLY E.  
 ESTES, ESQ. IN SUPPORT OF  
 COMPLAINT FOR:**

- 1. AVOIDANCE OF POST-PETITION TRANSFER OF PROPERTY OF THE ESTATE**
- 2. LIABILITY OF TRANSFEREE OF AVOIDED TRANSFER**
- 3. AUTOMATIC PRESERVATION OF AVOIDED TRANSFER**
- 4. TURNOVER OF PROPERTY OF THE ESTATE**
- 5. INJUNCTIVE RELIEF**
- 6. DECLARATORY RELIEF**

Hearing Date: N/A  
 Hearing Time: N/A

1 VILLALOBOS as parent and guardian of  
 2 CHRISTIAN DANIEL VILLALOBOS;  
 3 JESSICA KINLEY RAE VILLALOBOS  
 as parent and guardian of ALYSSA RAE  
 VILLALOBOS; DANIEL E. APODACA;  
 and APODACA & COMPANY,  
 4

5 Defendants,

6 \_\_\_\_\_ /  
 7 I, HOLLY E. ESTES, ESQ., hereby declare under penalty of perjury that the  
 8 following assertions are true:

9 1. I am the court appointed general counsel for Christina W. Lovato, Chapter 7  
 10 Trustee (the “Trustee”). I have personal knowledge of the facts herein stated, and if  
 11 called to testify as to such facts I would and could do so competently.

12 2. On February 6, 2015, I issued a subpoena for John Hancock to produce  
 13 certain documents by February 20, 2015. Attached hereto as **Exhibit Z** is a true and  
 14 correct copy of the subpoena issued.

15 3. On February 18, 2015, John Hancock requested and received an extension  
 16 of time to produce the documents requested in the subpoena from February 20, 2015, to  
 17 March 4, 2015. Attached hereto as **Exhibit DD** is a true and correct copy of email  
 18 correspondence between myself and Kristopher Kwan of John Hancock Financial  
 19 Services (“John Hancock”).

20 4. Attached hereto are true and correct copies of the referenced documents that  
 21 I received from John Hancock pursuant to the subpoena request: **Exhibit A, Exhibit B,**  
**Exhibit E, Exhibit F, Exhibit G, Exhibit H, Exhibit I, Exhibit J, Exhibit K, Exhibit**  
**L, Exhibit M, Exhibit P, Exhibit Q, Exhibit R, Exhibit S, Exhibit T, Exhibit U,**  
**Exhibit W, Exhibit X, Exhibit AA, Exhibit BB, and Exhibit CC.**

25 5. Attached hereto as **Exhibit C** is a true and correct copy of an Arvco Capital  
 26 bank account statement received by me from the Office of the United States Trustee.

27 6. On or about June 26, 2010, J. Michael Roney (“Michael Roney”) and/or J.  
 28 Michael Roney Insurance Services Inc., loaned Villalobos, the individual Chapter 11

1 Debtor, \$12,309.25 in order for Villalobos to make his John Hancock Policy premium  
 2 payment that was due on June 26, 2010. Michael Roney purports to be secured by the  
 3 Policy for this loan and any subsequent loan. This post-petition loan, and any subsequent  
 4 loan was not disclosed or approved by the Bankruptcy Court, and it was not permitted by  
 5 the Bankruptcy Code. The \$12,309.25 and any subsequent loan or advance by Michael  
 6 Roney and/or J. Michael Roney Insurance Services Inc., was property of the Bankruptcy  
 7 Case estate as that term is defined in 11 U.S.C. § 1115(a). *See Exhibit D* attached hereto.

8       7. Alfred Nash Villalobos' representation of Arvco Capital as its "general  
 9 counsel" was never disclosed to the Bankruptcy Court. Alfred Nash Villalobos is an  
 10 insider of the Debtor, as he is the son of Villalobos. Alfred Nash Villalobos' employment  
 11 as counsel for the Debtor was not authorized under the Bankruptcy Code, and was not  
 12 approved by order of the Bankruptcy Court.

13       8. Attached hereto as **Exhibit N** is a true and correct copy of an email with  
 14 attachments received by me from Daniel E. Apodaca.

15       9. Attached hereto as **Exhibit O** is a true and correct copy of a printout from  
 16 the Nevada Secretary of State's website.

17       10. On January 15, 2015, I called John Hancock requesting information  
 18 regarding any term life insurance policy(s) of the Debtors. John Hancock requested that I  
 19 send a letter to customer service requesting information. They provided a fax number and  
 20 an address to send inquiries. I informed the John Hancock representative that there was  
 21 likely going to be a dispute as to who was entitled to any life insurance proceeds.

22       11. On January 16, 2015, I sent John Hancock a letter requesting a copy of any  
 23 and all life insurance policies issued to either Villalobos or Arvco Capital, and a full  
 24 payment history on all policies. Attached hereto as **Exhibit V** is a true and correct copy  
 25 of the January 16, 2015, letter that I sent to John Hancock. I never received a response to  
 26 my January 16, 2015, letter from John Hancock.

27       12. On February 6, 2015, I sent John Hancock a letter pursuant to NRS §  
 28 687B.260 providing that the Chapter 7 Trustee was in the process of investigating

1 whether the bankruptcy estate has a claim to recover for transfers made or premiums paid  
2 on the Policy with intent to defraud creditors. Attached hereto as **Exhibit Y** is a true and  
3 correct copy of the February 6, 2015, letter that I sent to John Hancock.

4       13. Attached hereto as **Exhibit EE** are true and correct copies of email  
5 correspondence between myself and counsel for Daniel E. Apodaca, Robert B. Martin,  
6 Esq., and Amy Tirre Esq.

7           14. Attached hereto as **Exhibit FF** is a true and correct copy of a print outs  
8 from Robert B. Martin's website.

9       15. Attached hereto as **Exhibit GG** are true and correct copies of email  
10 correspondence between myself and Daniel Apodaca regarding the Villalobos Life  
11 Insurance Trust.

12 DATED this 11<sup>th</sup> day of March 2015.

*/s/ Holly E. Estes*

HOLLY E. ESTES, ESQ.  
Attorney For Chapter 7 Trustee